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SUBJECT: CANADA'S NEW DEFENSE STRATEGY

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11. (U) In a widely televised public address in Halifax, Prime Minister Stephen Harper and Defence Minister Peter MacKay outlined a new "Canada First Defence Strategy," building upon themes from the 2006 Conservative election platform and the October 2007 "Throne Speech" at the opening of the fall Parliamentary session (reftel). Canada will spend up to \$30 billion over the next twenty years to "recruit and train a new generation" of Canadian Forces -- which will rise to 70,000 in the regular force and 30,000 in the reserve force -- and to invest in "next generation, state-of-the-art equipment," including surface combat ships, maritime patrol craft, fixed-wing search and rescue aircraft, fighter aircraft, and land combat vehicles and systems. PM Harper commented that this program reflected the government's "commitment to stand up for Canada," to "strengthen our sovereignty and security at home and bolster our ability to defend our values and interests abroad," and to defend the country and protect Canadian citizens. He emphasized that "if you want to be taken seriously in the world, you need the capacity to act."

12. (U) PM Harper paid tribute to the defense alliance with the U.S. and shared responsibility for continental security, which he noted Liberal as well as Conservative governments over the past fifty years have supported. He promised that Canada would work to "earn mutual respect" as it fulfills its obligations under NORAD. He highlighted the importance of Canada's "robust and reliable" contributions to global security, notably its role in Afghanistan. He explained that the stable, long-term funding increases in national defense as well as a revised procurement process would also bring economic benefits and advantages for "tens of thousands of Canadians," including "Canada's knowledge and technology industries, which will produce lucrative civilian commercial spin-offs."

13. (SBU) Comment: This government's commitment to improving its defense capabilities and to invest in military modernization is welcome, in addition to being mostly politically popular. It reflects the Conservatives' pledge that "Canada is back," while recognizing that improving these capabilities is an expensive and long-term process. The government has, however, apparently shaved its earlier, even more ambitious goal of growing the Canadian Forces to 75,000. Mission Canada will continue its close cooperation with the Department of National Defence and the Canadian Forces to ensure full commercial opportunities for U.S. firms as Canada pursues these major acquisitions, as well as maximum inter-operability between Canadian and U.S. forces.

WILKINS